

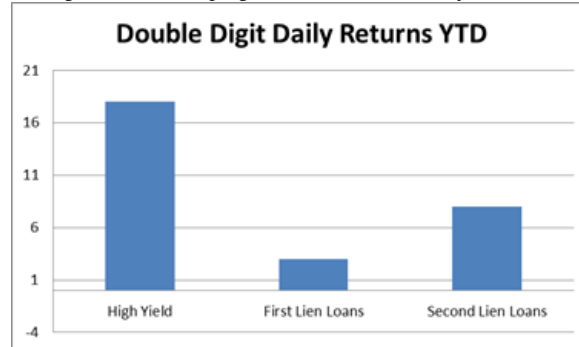
From:	Stan Sokolowski <ssokolowski@cifc.com>
To:	Stan Sokolowski <ssokolowski@cifc.com>
CC:	
Date:	Wed, 2/3/2016 8:04:44 PM
Subject:	Daily Update

Quote of the Day

“Never try to teach a pig to sing; it wastes your time and it annoys the pig.” – John Rolfe

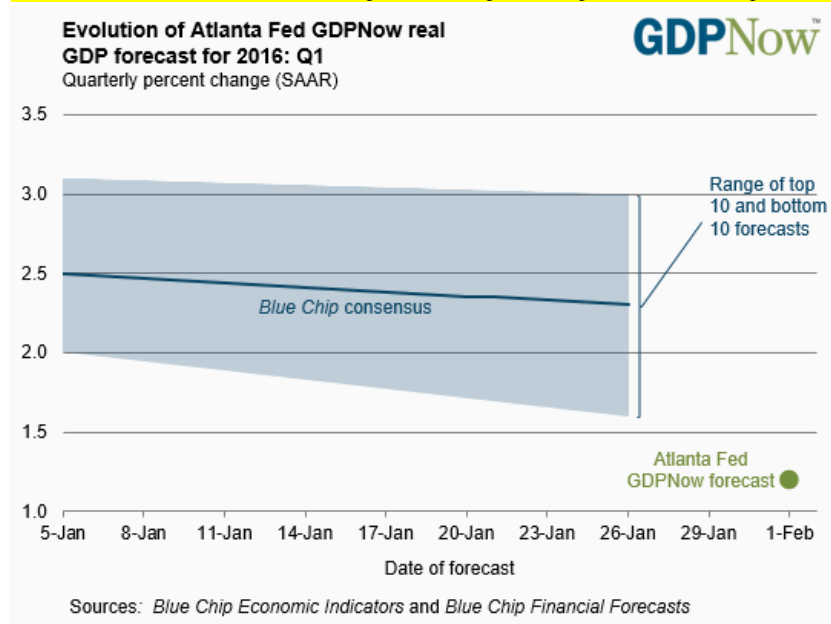
- An early Spring is forecast! (Let's hope the markets were paying attention to the Ground Hog too...). Futures started flat but markets are selling off while rates and gold rally. Fear? Overnight pressure on Asian markets which got clobbered and European markets which are trading down are contributing to a weaker Services PMI print. Oil is bouncing after a ~6% sell off on Monday and ~5 1/2% sell off yesterday. Stories/Chatter/Concerns making the rounds include, the struggle of bank stocks as their businesses grapple with regulations, policy and potential credit issues (not good for risk appetite overall), dollar strength (which has suddenly turned to weakness this am...) and the ability of the Fed to keep raising rates this year. Bearish, frustration and p&l destruction remains ubiquitous. Stay alert for opportunities when sentiment gets this poor. Futures: -19. 10 year: 1.8%!!!!
- Data: ADP: 205k (vs. 195k exp). Markit Services and Composite PMI's and ISM Services later this morning. Reminder: We jobs data on Friday
- Credit: Loans had a negative bias yesterday but finished OK. Loans and bonds both opening flat today. Question of the day: Can loans continue to outperform equities and bonds?...

Volatility continues in [high yield] credit
(although loans are keeping with their low volatility characteristic)

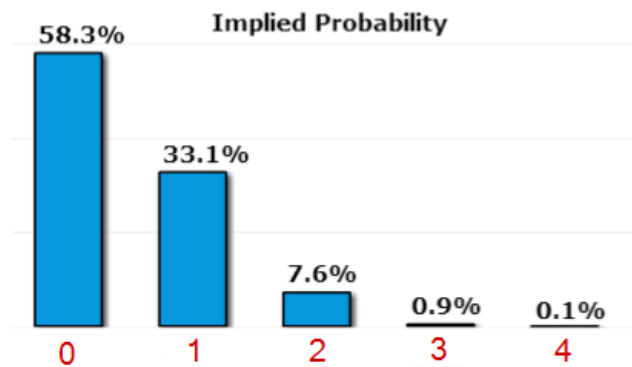


- Charts of the day:

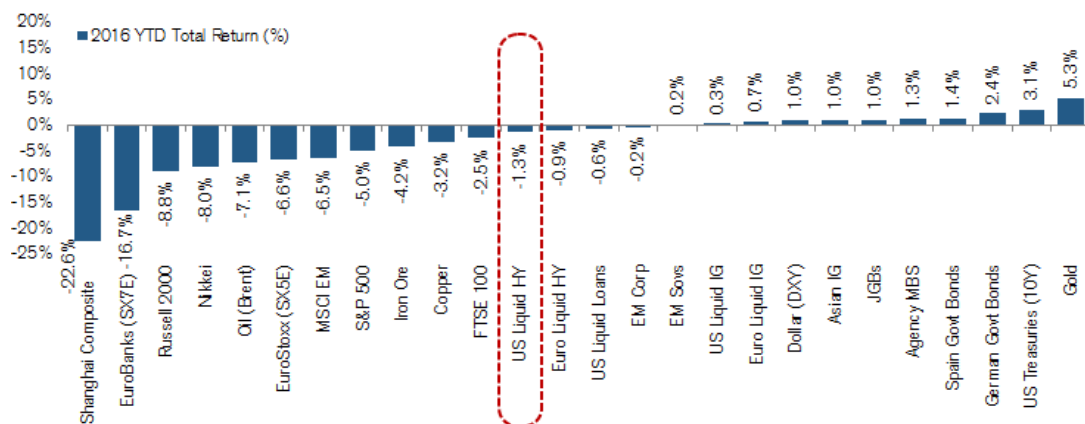
Not as bad as I have feared (an another positive data point for spread-based credit products)



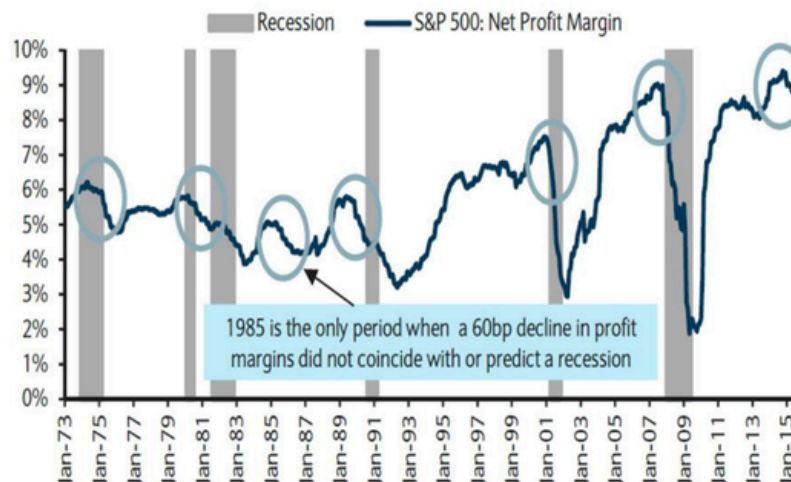
Rate increase probabilities



The 20/20 portfolio (shudda bought Gold and Treasuries...)



S&P 500 Net Profit Margin



Source: Thomson Reuters, Barclays Research

Source: S&P 500 Index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. You cannot invest directly in an index.
11-17-15 Asset Allocation Webcast 22

The dollar...

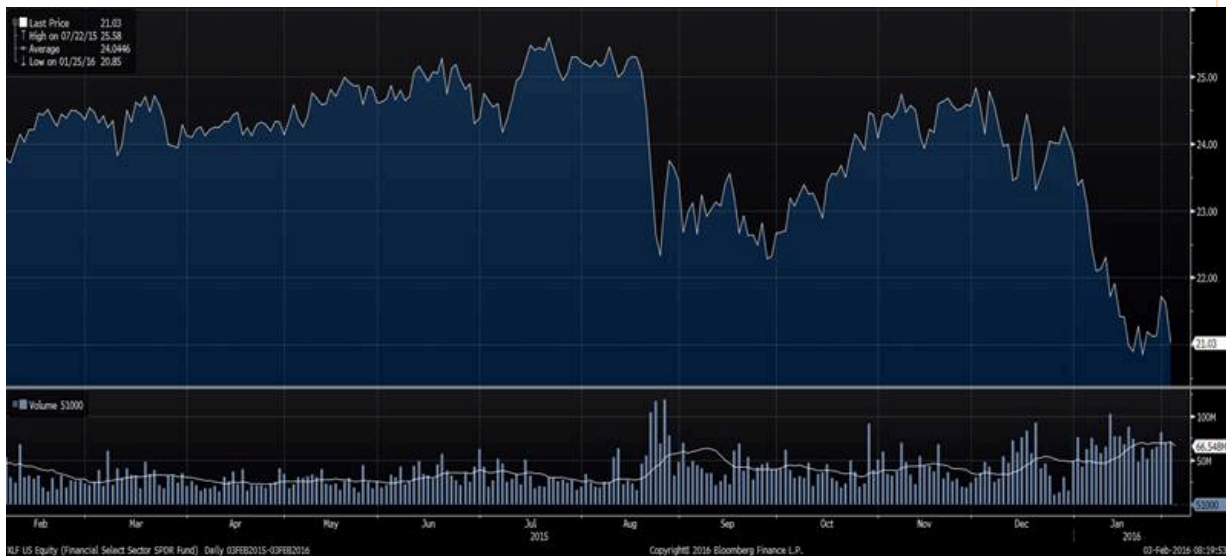
Dollar Discord

The rising dollar is creating negative-feedback loops among assets and economies around the world.



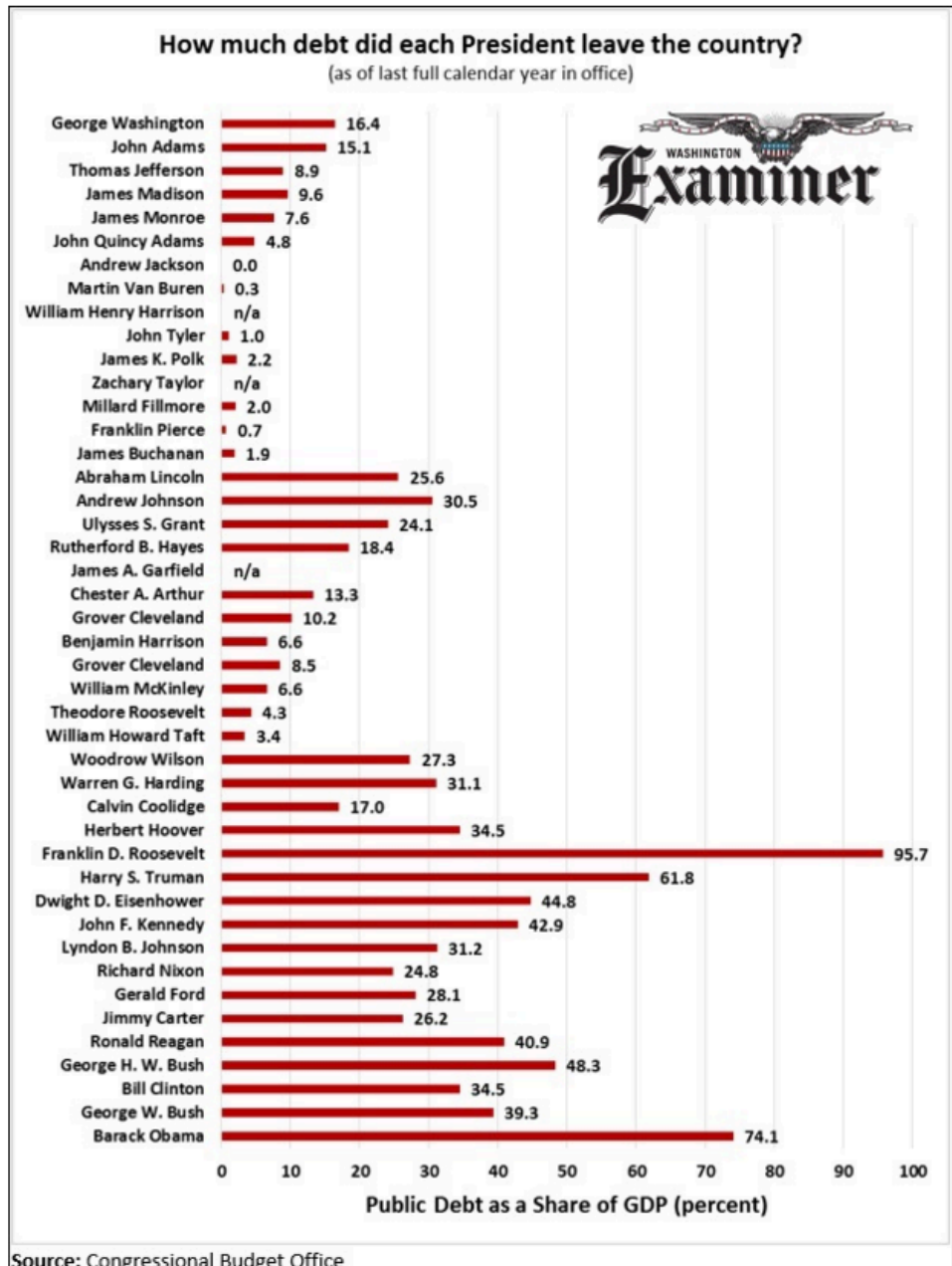
THE WALL STREET JOURNAL.

Bank ETF



- Other:

- o U.S. CEOs unleash recession fears in earnings calls <http://news.yahoo.com/u-ceos-unleash-recession-fears-earnings-calls-190343404--sector.html>
- o A vicious cycle will make it hard for the Fed to raise rates this year http://www.wsj.com/articles/fed-vs-the-dollar-why-yellen-cant-win-1454441168?mod=wsj_nview_latest
- o Higher taxes coming to NY?... http://www.wsj.com/articles/assembly-democrats-propose-tax-increases-for-top-earners-in-new-york-state-1454446155?mod=wsj_nview_latest
- o What's the word I'm looking for???....(they needed a study to figure this out?!?!?) <http://www.livescience.com/53550-marijuana-verbal-memory.html>
- o Who did it? =>



- IG: 110 7/8 (+1 7/8)
- HY: 98 7/16 (-1/16)
- CSLLI: -0.04% mtd / -0.77% ytd

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